



**Economic Improvement Corporation Regular
Meeting Agenda
November 18, 2024 at 4:00 PM
City Hall, 701 Main Street, Kerrville, Texas**



CALL TO ORDER:

1. **INVOCATION:**

2. **VISITORS/CITIZENS FORUM:** *Any citizen with business not scheduled on the agenda may speak to the Economic Improvement Corporation. No deliberation or action can be taken on these items because the Open Meetings Act requires an item be posted on an agenda 72 hours before the meeting. Visitors are asked to limit their presentation to three minutes.*

3. **APPROVAL OF MINUTES:**

- 3.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on September 16, 2024. (K Franchina, Deputy City Secretary)

4. **MONTHLY REPORTS:**

- 4.A Kerr Economic Development Corporation (KEDC) update. (K Milton-Jordan, KEDC)
- 4.B Kerrville Economic Improvement Corporation (EIC) project status update, including Downtown Area Streetscape, Scott Schreiner Golf Course improvements, Olympic Pool renovations, Cailloux Theater improvements, and Travis Street Pump Station upsizing. (M Hornes, Assistant City Manager)
- 4.C Monthly Financial Report (T Rodriguez, Assistant Finance Director)

5. **INFORMATION AND DISCUSSION:**

- 5.A Lennar Project update. (M Hornes, Assistant City Manager)
- 5.B Discussion regarding City Council priorities related to economic development. (D Rice, City Manager)

6. **CONSIDERATION AND POSSIBLE ACTION:**

- 6.A GO Team review. (M Hornes, Assistant City Manager)
- 6.B Discussion to reschedule the Economic Improvement Corporation (EIC) FY2025 January and February meetings as they fall on a holiday. (M Hornes, Assistant City Manager)

7. **EXECUTIVE SESSION:** *EIC may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the*

Texas Government Code.

8. **ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY.**
9. **ITEMS FOR FUTURE AGENDAS:** *EIC may suggest items or topics for future agendas.*

ADJOURN.

The facility is wheelchair accessible, and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-258-1118 for further information.

I hereby certify that this agenda was posted as notice of the meeting on the bulletin board at the City Hall of the City of Kerrville, Texas, and on the City's website on the following date and time: 11/14/2024 at 4:30 p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Kesha Franchina, TRMC

Kesha Franchina, TRMC, Deputy City Secretary, City of Kerrville, Texas



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Minutes from the regular Economic Improvement Corporation (EIC) meeting held on September 16, 2024. (K Franchina, Deputy City Secretary)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 09/17/2024

SUBMITTED BY:

EXHIBITS:

1. 20240916_EIC Minutes

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

No

Key Priority Area:

SUMMARY:

Minutes from the regular Economic Improvement Corporation (EIC) meeting held on September 16, 2024.

RECOMMENDED ACTION:

Approve minutes as presented.

**CITY OF KERRVILLE, TEXAS ECONOMIC IMPROVEMENT CORPORATION
REGULAR MEETING – September 16, 2024**

On Monday, September 16, 2024, at 4:00 p.m., the regular meeting of the City of Kerrville, Texas Economic Improvement Corporation (EIC) was called to order by President Kim Clarkson, in the Council Chambers at City Hall, 701 Main Street, Kerrville, Texas.

MEMBERS PRESENT:

Kim Clarkson, President
Celeste Hamman, Vice-President
Gregg Appel, KEDC
Beck Gipson
Gilberto Paiz
Jeff Harris, Councilmember

MEMBERS ABSENT:

Kyle Bond, "GO Team"

CHIEF EXECUTIVE STAFF:

Mike Hayes, City Attorney
Michael Hornes, Assistant City Manager
Kim Meisner, Assistant City Manager
Kesha Franchina, Deputy City Secretary
Trina Rodriguez, Assistant Director of Finance

VISITORS PRESENT: None.

1 **CALL TO ORDER:** President Clarkson called the meeting to order at 4:00 p.m.

2 **INVOCATION:** President Clarkson led the invocation.

3 **VISITORS / CITIZENS FORUM:** No citizen speakers.

4 **APPROVAL OF MINUTES:**

4.A Minutes from the regular Economic Improvement Corporation (EIC) meeting held on August 19, 2024.

Vice-President Hamman motioned to approve the minutes as presented, and Jeff Harris seconded. The motion passed 6-0.

5 **MONTHLY REPORTS:**

5.A Kerr Economic Development Corporation (KEDC) update.

Michael Hornes noted that Gil Salinas and Katie Milton Jordan were at an event in Colorado and would present an update at the next meeting.

5.B Kerrville Economic Improvement Corporation (EIC) project status update and the Capital Improvement Project (CIP) status report: including Peterson Medical Center Campus infrastructure Improvements, Downtown Area Streetscape,

Downtown River Trail extension, Scott Schreiner Golf Course improvements, Olympic Pool renovations, Cailloux Theater improvements, and Travis Street Pump Station upsizing.

Michael Hornes presented the EIC project status update. He and Trina Rodriguez responded to questions.

Citizen Speakers were as follows:

- Katy Kappel

5.C Monthly Financial Report.

Trina Rodriguez presented the Monthly Financial Report, and responded to questions.

6 CONSIDERATION AND POSSIBLE ACTION:

6.A GO Team review

President Clarkson, Vice-President Hamman, and Michael Hornes presented redlined revisions to the Go Team application process. They and Mike Hayes responded to questions. Additional revisions will be presented at the next meeting. No action was taken.

7. **EXECUTIVE SESSION:** None.

8. **POSSIBLE ACTION FOR ITEMS DISCUSSED IN EXECUTIVE SESSION:**
None.

9. ITEMS FOR FUTURE AGENDAS:

- Lennar update

10. **ADJOURN.** President Clarkson adjourned the meeting at 5:48 p.m.

_____ Date Minutes Approved

_____ Approve: Kim Clarkson, EIC President

_____ Attest: Kesha Franchina, Deputy City Secretary



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Kerr Economic Development Corporation (KEDC) update. (K Milton-Jordan, KEDC)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 09/17/2024

SUBMITTED BY:

EXHIBITS:

None

Expenditure:
Account Number:
Payment to/Vendor
name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
Yes

Key Priority Area:
E – Economic Development

SUMMARY:

Kerr Economic Development Corporation (KEDC) update.

RECOMMENDED ACTION:

Information only; no action.



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Kerrville Economic Improvement Corporation (EIC) project status update, including Downtown Area Streetscape, Scott Schreiner Golf Course improvements, Olympic Pool renovations, Cailloux Theater improvements, and Travis Street Pump Station upsizing. (M Hornes, Assistant City Manager)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 09/17/2024

SUBMITTED BY:

EXHIBITS:

1. 20241118_EIC Project Update

Expenditure:

Amount Budgeted:

Account Number:

Account Balance:

**Payment to/Vendor
name:**

Kerrville 2050 Item?

Key Priority Area:

Yes

SUMMARY:

Economic Improvement Corporation (EIC) project status update.

RECOMMENDED ACTION:

Information only; no action.

Monthly EIC Project Status Report

	Project Name	Description	Estimated Design Completion	Estimated Construction Completion	Comments
1	Downtown Area Streetscape	Relocate overhead utility lines to underground; improved beautification of the garage with limestone influences, LED light upgrades and wrought iron railing.	N/A	Summer 2024	KPUB portion is complete for underground utility work. Stop signs installed, masonry and wrought iron railing installed. Street lighting to be installed on Water Street. Decorative lighting to be installed on Clay St. near Downtown Parking Garage.
2	Scott Schreiner Golf Course improvements	Improvements to the existing golf course	TBD	Summer 2025	EIC and City Council approvals for funding complete. Design complete with project to bid October 2024 followed by City Council award November 12, 2024. Course renovations to begin in January of 2025, with construction completion anticipated
3	Olympic Pool renovations	Renovations to the Olympic pool	Feb-2025	Spring 2026	EIC and City Council approvals for funding complete. Design anticipated to complete February 2025 with construction completion anticipated Spring 2026.
4	Cailloux Theater Improvements	Repair of HVAC and roof systems	Complete	Fall 2025	EIC and City Council approvals for funding complete. Design complete and project awarded by City Council at October 22, 2024 meeting. Construction to begin in March of 2025. Theater to close during construction.
5	Travis Street Pump Station Upsizing	Increase distribution capacity of the Travis St pump station to meet TCEQ requirements for future developments.	Sep-2024	TBD	Project approved by City Council March 26, 2024. Project is in the design phase with bid commencement anticipated for September, 2024. Variance exception letter sent to TCEQ June 26, 2024.



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Monthly Financial Report (T Rodriguez, Assistant Finance Director)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 11/12/2024

SUBMITTED BY:

EXHIBITS:

1. October 2024 financial presentation

Expenditure:
Account Number:
Payment to/Vendor
name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?

Key Priority Area:

SUMMARY:

RECOMMENDED ACTION:

Economic Improvement Corporation
FY2024 Year End

Revenues

Sales and Use Tax	\$ 4,951,898
Interest Income	510,545
Land Revenue	5,000
Total Revenues	<u>5,467,443</u>

Expenditures

Administrative	
Supplies and Miscellaneous	50
Legal Services	2,250
Professional Services	208,500
Kerr Economic Development Corp.	343,750
Total Administrative	<u>554,550</u>

Debt Service

Debt Service - Series 2015 (KSC)	605,700
Debt Service - Series 2019 Ref (River Trail)	251,506
Debt Service - Series 2020 Ref (River Trail)	233,500
Debt Service-Series 2023 (Quality of Life)	1,470,486
Bond Issuance Costs	259,189
Total Debt Service	<u>2,820,381</u>

Projects

Airport Projects	9,535
Sid Peterson Memorial Hospital	800,000
Downtown Utilities/Streetscape	330,063
Downtown River Trail	(241,563)
Habitat for Humanity Mariposa Infrastructure	285,293
Travis Street Pump Station Upgrades	-

Total Expenditures 4,558,260

Net Income \$ 909,184



Economic Improvement Corporation
Sales Tax Revenue Bonds Series 2023
FY2024 Year End

Revenues

Bond Proceeds	20,000,000
Interest Income	870,506
Total Revenues	20,870,506

Expenditures

Projects	
Scott Schreiner Golf Course Improvements	309,195
Olympic Pool Improvements	75,668
Cailloux Theater Roof & HVAC	25,407
Existing Parks Improvements	374,658
Granger McDonald Park Improvements	-
Heart of the Hills Heritage Center	-
Total Projects	784,928
Total Expenditures	784,928



Financial update for the month ended October 31, 2024

**Economic Improvement Corporation Meeting
November 18, 2024**



Economic Improvement Corporation
Statement of Activities
Month Ended October 31, 2024

Revenues

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Sales and Use Tax	\$ 5,104,402	\$ 380,948	\$ 380,948	\$ 437,120	\$ (56,172)
Interest Income	901,454	108,199	108,199	94,022	14,177
Investment Maturity	6,000,000	-	-	-	-
Total Revenues	12,005,856	489,147	489,147	531,141	(41,995)

Expenditures

	Annual Budget	Current Period	YTD Actual	YTD Budget Estimate	Better/Worse YTD Estimate
Administrative					
Supplies and Miscellaneous	650	-	-	-	-
Training	10,000	-	-	-	-
Legal Services	10,000	-	-	-	-
Professional Services	213,200	17,767	17,767	17,767	-
Kerr Economic Development Corp.	343,750	85,938	85,938	85,938	-
Total Administrative	577,600	103,704	103,704	103,704	-
Debt Service					
Debt Service - Series 2015 (KSC)	603,100	50,258	50,258	50,258	-
Debt Service - Series 2019 Ref (River Trail)	257,100	21,425	21,425	21,425	-
Debt Service - Series 2020 Ref (River Trail)	230,500	19,208	19,208	19,208	-
Debt Service - Series 2023 (Quality of Life)	1,468,750	122,396	122,396	122,396	-
Total Debt Service	2,559,450	213,287	213,287	213,287	-
Investment Purchase	4,000,000	2,000,000	2,000,000	2,000,000	-
Projects					
Downtown Utilities/Streetscape	69,937	-	-	-	-
Travis Street Pump Station Upgrades	600,000	6,152	6,152	6,152	-
Scott Schreiner Golf Course Improvements	3,690,805	16,074	16,074	16,074	-
Olympic Pool Improvements	4,574,332	198,873	198,873	198,873	-
Cailloux Theater Roof & HVAC	3,974,593	-	-	-	-
Schreiner University Talent & Workforce Dvlpmnt	411,214	-	-	-	-
Schreiner University Athletic Facilities	1,088,786	-	-	-	-
Habitat for Humanity Mariposa Infrastructure	814,707	113,191	113,191	113,191	-
Granger McDonald Park Improvements	750,000	-	-	-	-
Existing Parks Improvements	425,342	-	-	-	-
Heart of the Hills Heritage Center	1,000,000	-	-	-	-
Lennar Windridge Development*	2,000,000	-	-	-	-
Total Projects	19,399,716	334,290	334,290	334,290	-
Total Expenditures	26,536,766	2,651,282	2,651,282	2,651,282	-

Change in Net Position

\$ (14,530,910) \$ (2,162,135) \$ (2,162,135)



Economic Improvement Corporation

Cash Flow Forecast

As of October 31, 2024

	FY2024 Actual	FY2025 Projections	FY2025 Projections		
	Oct 2024	Nov 2024 to Dec 2024	Jan 2025 to Mar 2025	Apr 2025 to Jun 2025	Jul 2025 to Sep 2025
Beginning Cash Balance	\$ 24,319,466	\$ 22,108,901	\$ 18,374,386	\$ 16,346,597	\$ 12,451,896
Revenue					
Sales Tax	380,948	792,109	1,315,185	1,245,196	1,314,792
Interest Income	108,199	220,000	225,364	225,364	225,364
Investment Maturity	-	-	1,000,000	2,000,000	3,000,000
Total Revenue	489,147	1,012,109	2,540,549	3,470,560	4,540,155
Expenditures					
Administrative					
Supplies and Miscellaneous	-	163	163	163	163
Legal Services	-	2,500	2,500	2,500	2,500
Training	-	2,500	2,500	2,500	2,500
Professional Services	17,767	35,533	53,300	53,300	53,300
Kerr Economic Development Corp.	85,938	-	85,938	85,938	85,938
Total Administrative	103,704	40,696	144,400	144,400	144,400
Debt Service	213,287	426,575	639,863	639,863	639,863
Investment Purchase	2,000,000	-	-	2,000,000	-
Projects					
Downtown Utilities/Streetscape	-	69,937	-	-	-
Travis Street Pump Station Upgrades	6,152	-	-	296,924	296,924
Scott Schreiner Golf Course Improvements	16,074	918,683	918,683	918,683	918,683
Olympic Pool Improvements	198,873	1,093,865	1,093,865	1,093,865	1,093,865
Cailloux Theater Roof & HVAC	-	993,648	993,648	993,648	993,648
Schreiner University Talent & Workforce Dvlpmnt	-	102,804	102,804	102,804	102,804
Schreiner University Athletic Facilities	-	272,197	272,197	272,197	272,197
Habitat for Humanity Mariposa Infrastructure	113,191	175,379	175,379	175,379	175,379
Granger McDonald Park Improvements	-	187,500	187,500	187,500	187,500
Existing Parks Improvements	-	425,342	-	-	-
Heart of the Hills Heritage Center	-	-	-	500,000	500,000
Lennar Windridge Development	-	-	-	-	2,000,000
Total Projects	334,290	4,239,354	3,744,075	4,540,999	6,540,999
Total Expenditures	2,651,282	4,706,625	4,528,337	7,325,261	7,325,261
Interest Receivable	48,430	40,000	40,000	40,000	40,000
Ending Cash Balance	\$ 22,108,901	\$ 18,374,386	\$ 16,346,597	\$ 12,451,896	\$ 9,626,790



Financial Analysis

Project Analysis as of October 31, 2024			
Project Description	EIC Commitment	Disbursed Funding	Remaining Funding
Committed Projects:			
Airport Box Hangar	132,767	132,767	-
Downtown Utilities/Streetscape	400,000	330,063	69,937
Travis Street Pump Station Upgrades	750,000	6,152	743,848
Scott Schreiner Golf Course Improvements	4,000,000	325,269	3,674,731
Olympic Pool Improvements	7,000,000	274,541	6,725,459
Cailloux Theater Roof & HVAC	4,000,000	25,407	3,974,593
Schreiner University Talent & Workforce Dvlpmnt	822,430	-	822,430
Schreiner University Athletic Facilities	2,177,570	-	2,177,570
Habitat for Humanity Mariposa Infrastructure	2,260,000	398,483	1,861,517
Granger McDonald Park	2,200,000	-	2,200,000
Existing Parks Improvements	800,000	374,658	425,342
Heart of the Hills Heritage Center	2,000,000	-	2,000,000
Lennar Windridge Development	5,000,000	-	5,000,000
Committed Project Total	\$ 31,542,767	\$ 1,867,340	\$ 29,675,427

Sales Tax Revenue Analysis - FY2025					
Month	Actual FY2024	Budget FY2025	Actual FY2025	FY2024 vs. FY2025	Budget vs. Actual
October	\$ 465,726	\$ 437,120	\$ 380,948	-18.20%	-12.85%
November	375,745	\$ 414,771	460,524	22.56%	11.03%

Cash Analysis as of October 31, 2024					
Type	Purchase	Maturity	Yield	Placement	Amount
Pool			5.44%	EIC TexPool - Cash	\$ 4,153,446
Pool			5.44%	EIC TexPool - 2023 Revenue Bonds	\$ 17,955,455
Agency/Security	4/18/2024	10/15/2025	5.06%	US Treasury Note - 91282CFP1	\$ 999,590
Commercial Paper	4/19/2024	1/6/2025	5.46%	MUFG Bank CP - 62479LN68	\$ 991,283
Agency/Security	7/25/2024	7/25/2025	4.88%	FHLB Note - 3130B23U7	\$ 1,004,393
Commercial Paper	7/25/2024	4/11/2025	5.21%	BNP Paribas CP - 09659BRB8	\$ 1,959,354
Commercial Paper	10/31/2024	7/25/2025	4.51%	MUFG Bank CP - 62479LUR4	\$ 1,935,327
				Total Cash and Investments	\$ 28,998,848



Questions?





**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Lennar Project update. (M Hornes, Assistant City Manager)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 09/17/2024

SUBMITTED BY:

EXHIBITS:

None

Expenditure:
Account Number:
Payment to/Vendor
name:

Amount Budgeted:
Account Balance:

Kerrville 2050 Item?
Yes

Key Priority Area:
H – Housing

SUMMARY:

Lennar Project update.

RECOMMENDED ACTION:

Information only; no action.



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Discussion regarding City Council priorities related to economic development. (D Rice, City Manager)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 11/13/2024

SUBMITTED BY:

EXHIBITS:

1. 2025 Council Priorities Placemat

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

Yes

Key Priority Area:

E – Economic Development

SUMMARY:

City Manager Dalton Rice will give a presentation to the board regarding City Council priorities related to Economic Development. These priorities stem from the City Council retreat this past July.

RECOMMENDED ACTION:

discussion only, no action



Community Vision

Kerrville will be a vibrant, welcoming and inclusive community that:

- Respects and protects the natural environment that surrounds it;
- Seeks to attract economic growth and development;
- Provides opportunities for prosperity, personal enrichment and intellectual growth for people of all ages; and does so while preserving the small-town charm, heritage, arts and culture of the community.



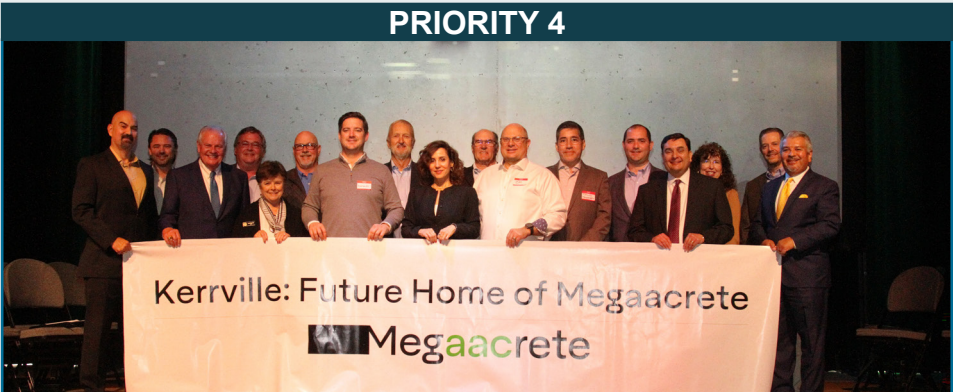
F PUBLIC FACILITIES & SERVICES	
Efficient and Effective Service Delivery	
F1	Commit to maintaining high-quality, cost-effective public services and facilities consistent with anticipated growth and ensure cost-effective use and maintenance of these assets
F3	Address long-term technology needs through public-private partnerships to support public safety, information services and the library
F5	Consider opportunities for interlocal agreements and collaborations with other government entities and partner agencies for the provision of services



H HOUSING	
Housing and Neighborhoods	
H1	Provide a diverse range of housing options to meet the needs and desires of all age groups, income levels, and lifestyles
H2	Maintain the quality and value of existing neighborhoods



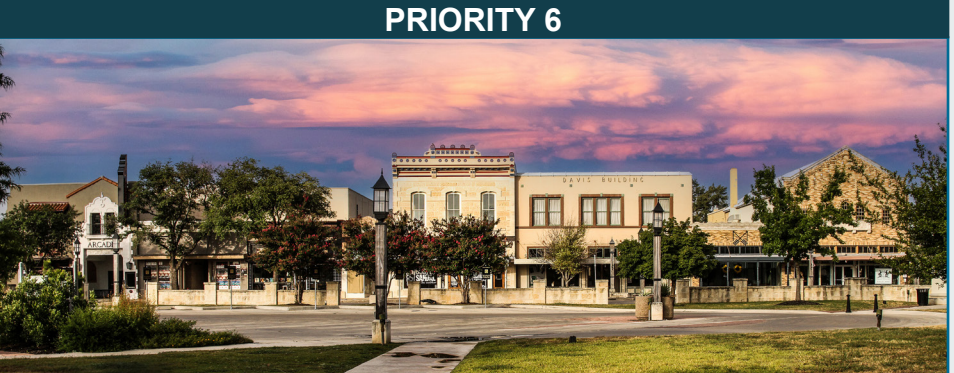
W WATER, WASTEWATER & DRAINAGE	
Water Supply and Quality	
W2	In the development of the long-range water plan, anticipate growth, consider all sources and plan for future droughts
W1	Develop and maintain long-range water plans that prioritize infrastructure needs and identify funding sources
W3	Address water quality challenges with proven solutions
Stormwater/Drainage Management	
W7	Develop and maintain a long-range plan for stormwater/drainage management, addressing and prioritizing infrastructure needs and identifying funding sources
W8	Focus more on on-site green/bio stormwater infrastructure to support water quality and quantity goals



E ECONOMIC DEVELOPMENT	
E4	Balance, broaden and diversify the City's tax base, shifting the tax burden away from residential property owners
E3	Continue to focus on quality of life attributes and enhancements as a high priority, balancing growth with community and individual well-being and the need to preserve a healthy/beautiful environment unique to Kerrville
Key Industries and Assets	
E11	Promote new retail development while considering its impacts on existing business
E7	Create an identity for Kerrville as the capital or hub of the Hill Country
E9	Foster/leverage higher education and entrepreneurship as community assets



C COMMUNITY & NEIGHBORHOOD CHARACTER / PLACEMAKING	
Community Connections	
C7	Promote walkability and complete streets, focusing on community health in the review of new development proposals and supporting pleasing, well-kept neighborhoods that maintain their value and help sustain economic development
C6	Celebrate and honor the character of each neighborhood and its culture; revitalize neighborhoods and create gathering places within them while avoiding the displacement of citizens and their cultures



D DOWNTOWN REVITALIZATION	
Gathering Places and Events	
D4	Encourage and program Downtown public events and create more gathering places that promote and enhance Downtown as an arts, culture and music center
D5	Promote a walkable, useable, uniform and pedestrian-oriented public space linking Downtown to the surrounding neighborhoods through streetscape elements, access, connections and crossings





**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: GO Team review. (M Hornes, Assistant City Manager)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 09/17/2024

SUBMITTED BY:

EXHIBITS:

1. 4B Tax Funding Request Guidelines and Application_111524 Final

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

Yes

Key Priority Area:

E – Economic Development

SUMMARY:

On September 16, 2024, during the regular meeting, the Economic Improvement Corporation (EIC) reviewed revisions to the GO Team application and process. Additional revisions were requested and presented in the attachment. Attached you will find the revised Guidelines and Procedures with the following changes:

- The definition of Projects related to the creation or retention of primary jobs has been updated.
- In the guidelines and procedures section, the application categories have been combined, with a call out in the list of requirements specific to "Projects related to the creation or retention of primary jobs" The quality of life projects will not need to provide an economic impact analysis.
- GO Team will consist of City Manager, KEDC director, EIC board member and KEDC board member. Others may be added if applicable.
- GO Team process and steps for project review and approval have been updated
- Deleted the section related to the budget
- Deleted the section related to a separate policy for incentive criteria.

RECOMMENDED ACTION:

Approve revisions to the GO Team application and process.

**City of Kerrville Economic Improvement Corporation
4B Sales Tax Funding Request
Guidelines and Procedures**

Economic Improvement Corporation

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve expenditures of 4B funding, such funding from the sale tax revenue collected by the City of Kerrville (City) pursuant to Section 4B of Tex. Rev. Civ. Stat. Art. 5190.6 and now codified in Chapters 501, 502, and 505 of the Texas Local Government Code, otherwise known as the Development Corporation Act of 1979 and referred to herein as the “Act”. Before the EIC may consider whether to fund an eligible project, an applicant must complete and submit the attached application to:

**City of Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
830.257.8000**

All actions of the EIC are subject to the Act. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. Qualified voters approved the formation of the EIC, which is governed by a City-appointed Board of Directors. The EIC is a 4B Corporation and may fund “projects” focused on the creation of “primary jobs”, to provide an economic benefit to the City, as well as to enhance the “Quality of Life” of residents. Applications are subject to funding availability.

Types of Projects

The EIC may consider applications for:

1. **Projects Related to the Creation or Retention of Primary Jobs** - funding for land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are for the creation or retention of primary jobs that are found by the Board to be required or suitable for the development, retention, or expansion of a manufacturing or industrial type project. “Primary jobs” is defined by the Act.
2. **Quality of Life Projects** - projects which are owned by the City upon completion or, where funding is requested for the development of a private organization, which includes a non-profit, but only if the project is accessible by or open to the public. Eligible Quality of Life projects indirectly result in economic benefits.
3. **Participation in Public Infrastructure** - funding necessary to facilitate private development resulting in public economic benefit.

Guidelines and Procedures

Applications

The EIC will accept applications for projects at any time. The EIC will not consider an application until it contains all required information. Where the Go Team (see below) determines an application to be complete, an applicant must be available to present the project to the EIC during a Board meeting. Eligible projects may exist within the City or within Kerr County, subject to approval of the County Commissioners. Applicants may include businesses, non-profit organizations, individuals, the City, Kerr County, or the Kerr Economic Development Corporation.

“GO Team”

An executive team (“GO Team”) will evaluate and offer a recommendation for each application based on:

1. Compliance with legal requirements, with necessary assistance from the City Attorney;
2. Funding Availability based upon the current budget, long-range forecasting, and plans and policies adopted by either the EIC and/or the City;
3. Consistency with the Kerrville 2050 Comprehensive Plan, Capital Improvement Plan, Airport Master Plan, and Parks Master Plan;
4. For projects related to the Creation or Retention of Primary Jobs, economic impact analysis results, including a return on investment, as impacted by the extent of developer’s financial participation; job creation impact; and impact on the tax base; and
5. Project status, for example, projects already under construction.

The “Go Team” will consist of the City Manager, and/or designee, the Executive Director of the Kerrville Economic Development Corporation, a board member of the EIC and a board member of KEDC. Additional members of staff may be added to the “GO Team” where appropriate depending on the nature and location of the project.

Upon review of the application and support documents, the “GO Team” will develop a recommendation and then notify the applicant of the next available EIC meeting for a project presentation.

Following the EIC’s initial consideration of an application, the EIC may vote to schedule a future public hearing for its full consideration of the project. Following this public hearing, the EIC will consider whether to approve a written funding agreement, which if adopted and thereafter approved by the City Council, will authorize funding for the project.

The EIC generally meets monthly at the Kerrville City Hall, Council Chambers, 701 Main Street, Kerrville, Texas.

For additional information visit the City's website at www.kerrvilletx.gov or call 830.257.8000.

**APPLICATION FOR 4B SALES TAX FUNDS
CITY OF KERRVILLE
ECONOMIC IMPROVEMENT CORPORATION**

Both the Economic Improvement Corporation Board of Directors (EIC) and the Kerrville City Council must approve all expenditures of 4B funding. Before a project may be considered and awarded any funds, the attached application must be completed and submitted to:

**City of Kerrville Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028
830.257.8000**

All actions of the EIC are subject to the Development Corporation Act of 1979, article 5190.6 Vernon's Civil Statutes, Section 4B. The EIC is a legal entity with statutory authority to spend economic development sales tax dollars. The Corporation is city-chartered and governed by a city-appointed board of directors. The EIC is a 4B Corporation and may fund "projects" focused on the creation of "primary jobs" and/or to provide an economic benefit to the City of Kerrville, as well as "Quality of Life" projects. Application approvals are subject to funding availability.

**APPLICATION
SECTION 1 - DEFINITIONS**

Clawback- That provision in a Funding Agreement, which states how and to what extent any incentive payments from public funds must be repaid if the stated Performance Standards are not met.

Current Payroll- The company's total expenditure for all employees for the month immediately preceding this application multiplied by 12.

Employee Benefit- Incentives offered to employees and paid for by the employer such as health care coverage, vacation, etc. If an employee pays 30% of the cost, or more, it should not be considered a "benefit" for purposes of this application.

Full Time Job- The employment of a person for a minimum of 35 hours per week and offering that person all those benefits adopted by company policy for Full Time Employees. Major stockholders or immediate family members should not be included in this number when considering "New Full-Time Jobs Created."

Hourly Wage- The gross amount paid to the employee for each hour worked not including the Employer's portion of FICA or FWH. Benefits should not be included in this figure, but should be listed separately under the compensation per employee section of the application.

Part-Time Job- A person working less than 35 hours per week. Major stockholders or immediate family members should not be included in this category when completing the application under New Part-Time Jobs Created.

Funding Agreement- a written document designed to protect the interest of local taxpayers by putting a businesses' job creation or capital investment commitments in writing and by linking the payment of any financial incentive to the business fulfilling its written commitments (i.e. clawbacks).

Public Capital Project- Improvements owned and maintained by the City of Kerrville included in the Capital Improvement Plan and funded by the capital budget.

SECTION II - APPLICANT INFORMATION

Submittal Date: ____/____/____

Company Name:

Address (City/State): _____ Phone _____

_____ Fax _____

_____ City State Zip Code

Name of Company Contact on this project:

Contact Address (if different from above):

_____ Phone _____

_____ Fax _____

_____ City State Zip Code

Type of Business Structure: Corporation __ Partnership __ Sole Proprietorship __

Year Business Started: Year _____ Location _____

Current Employment: Permanent Full-Time _____ Permanent Part-Time _____

Average Production Wage _____

Full-Time Employees receive the following benefits:

Financial Information: Five Years Annual Financials Attached _____

Include: Statement of profit and loss; Balance sheet; Cash Flow Statement; IRS reporting forms, Pro forma

Annual Sales for Corporation / Company \$ _____

This Facility \$ _____

Local Sales Tax paid Annually \$ _____

Current Payroll \$ _____

Has the Company ever filed for bankruptcy protection under Chapter 7 or Chapter 11 of the Bankruptcy Statutes? No () Yes () Details:

SECTION III- PROJECT INFORMATION

This application is for a:

Business Development ()

- Expansion of Existing Facility () or
- New Construction ()
- Other ()

Quality of Life Improvement ()

- Parks, Open Space ()
- Other ()

Capital Improvements for Public Infrastructure

- Utilities ()
- Roadways ()
- Other ()

The proposed improvements are to be located within the following taxing district(s): City of Kerrville () Kerr County () Kerrville ISD () Ingram ISD () Center Point ISD ()

SECTION IV - PROJECT DESCRIPTION

Please attach a statement on company letterhead and signed by an officer of the company (1) fully explaining the nature and scope of the project; (2) describing the proposed site and existing improvements, if any; (3) describing all proposed improvements; and (4) providing a list of eligible improvements; (5) provide a list of major, fixed equipment along with manufacturer specifications and cost quote from the manufacturer.

Should this project be approved, the Economic Improvement Corporation may require performance criteria as a part of the funding agreement, in addition to this application. The funding agreement is between the Economic Improvement Corporation and the City

of Kerrville. Said funding agreement will outline project costs, timelines, other information may be necessary to carry out the project in an efficient manner.

SECTION V – ECONOMIC IMPACT INFORMATION

Part A- Project Investment in Improvements

Total \$ _____
Sq. Footage of New Building (s) _____
Size of Parking _____
Other _____

Part B- Project Investment in Fixed Equipment

(New)\$ _____
Manufacturer of Equipment _____
Anticipated Useful Life of Equipment _____
Purchase Price \$ _____ Installation Cost \$ _____
Anticipated Delivery time from Date of Order _____

Part C- Permanent Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Full-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles _____

Anticipated starting salaries of these employees: (avg.) \$ _____/hour

Part D- Permanent Part-Time Employment Estimates- (do not include owners, stockholders or their dependents)

Anticipated Number of New Part-Time Employees as a result of this project _____
Anticipated Number within 12 months of Completion of this project _____
Anticipated Number within 24 months of Completion of this project _____
Typical Job Descriptions or Job Titles of these employees: _____

Anticipated starting salaries of these employees: (avg.) \$ _____/ hour

Part E- Payroll Impact

Within 12 months of Project Completion _____ Within 24 months of Project Completion _____

\$ _____

FTE X Avg. Wage X 40 hrs X 52 wks

\$ _____

PTE X Avg. Wage X 20 hrs X 52 wks

SECTION VI- OTHER ASSISTANCE

Has the Company applied for any State or Federal assistance on this project?

No () Yes ()

Describe:

To the best of my knowledge, the above information is an accurate description of the proposed project details.

Printed name

Date

Title

Signature



**TO BE CONSIDERED BY THE ECONOMIC IMPROVEMENT
CORPORATION
CITY OF KERRVILLE, TEXAS**

CAPTION: Discussion to reschedule the Economic Improvement Corporation (EIC) FY2025 January and February meetings as they fall on a holiday. (M Hornes, Assistant City Manager)

AGENDA DATE: November 18, 2024

DATE SUBMITTED: 10/03/2024

SUBMITTED BY:

EXHIBITS:

None

Expenditure:

Account Number:

**Payment to/Vendor
name:**

Amount Budgeted:

Account Balance:

Kerrville 2050 Item?

No

Key Priority Area:

SUMMARY:

The January 20, 2025, Economic Improvement Corporation (EIC) meeting falls on the Martin Luther King Jr. holiday, and the February 17, 2025 (EIC) meeting falls on Presidents' Day. Consider rescheduling the meetings to Tuesday, January 21, 2025, and Tuesday, February 18, 2025.

RECOMMENDED ACTION:

Reschedule FY2025 EIC meetings that fall on holidays.